

LOAN PROTECT INSURANCE POLICY

SALES LITERATURE

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Brief Description :

Loan Protect Insurance Policy is a unique Policy that helps you transfer the burden of your loan in the event of an unforeseen contingency. This Policy is specially designed for customers of Banks and financial Institutions. Policy can be bought by anyone holding Loans with the bank. This Insurance Policy serves as safety net so that you and your near and dear ones are not worried about repayment of your loan in the event of your suffering from Critical Illness, Accidental Death, or Accidental Permanent Total disability resulting in inability to remain gainfully employed. This Policy also provides for Loss of Job and Cover of Dwelling and Content against Fire and Allied Perils and business interruption for commercial establishments due to operation of insured perils.

Coverage

Section 1 - Critical Illness: (Compulsory Section)

The Company will pay the *Sum Insured* if during the *Policy Period* the *Insured borrower* unfortunately contracts with any of the following covered *Critical Illness* for the first time during the *Period of Insurance*.

This Policy covers upto of 18 Critical Illness as per the Plan chosen.

We bring a wide range of options as below depending on number of Critical Illness Procedures to be covered. The options range from 9, 12, 15 and 18 Critical Illness Procedures.

One Star Plan

a) *First Diagnosis of the below-mentioned Illnesses more specifically described below:*

1. Cancer;
2. End Stage Renal Failure;
3. Multiple Sclerosis

b) *Undergoing for the first time of the following surgical procedures, more specifically described below:*

4. Major Organ Transplant;
5. Heart Valve Replacement;
6. Coronary Artery Bypass Graft;

c) *Occurrence for the first time of the following medical events more specifically described below:*

7. Paralysis;
8. Myocardial Infarction;
9. Stroke;

Two Star Plan

a) First Diagnosis of the below-mentioned Illnesses more specifically described below:

1. Cancer;
2. End Stage Renal Failure;
3. Multiple Sclerosis;
4. Benign Brain Tumor
5. Parkinson's Disease

b) Undergoing for the first time of the following surgical procedures, more specifically described below:

6. Major Organ Transplant;
7. Heart Valve Replacement;
8. Coronary Artery Bypass Graft;

c) Occurrence for the first time of the following medical events more specifically described below:

9. Stroke
10. Paralysis;
11. Myocardial Infarction;
12. Coma

Three Star Plan

a) First Diagnosis of the below-mentioned Illnesses more specifically described below:

1. Cancer;
2. End Stage Renal Failure;
3. Multiple Sclerosis;
4. Benign Brain Tumor
5. Parkinson's Disease
6. End Stage Liver Disease
7. Alzheimer's Disease

b) Undergoing for the first time of the following surgical procedures, more specifically described below:

8. Major Organ Transplant;
9. Heart Valve Replacement;
10. Coronary Artery Bypass Graft;
11. Surgery of Aorta

c) Occurrence for the first time of the following medical events more specifically described below:

12. Stroke
13. Paralysis;
14. Myocardial Infarction;
15. Coma

Four Star Plan

First Diagnosis of the below-mentioned Illnesses more specifically described below:

1. Cancer;
2. End Stage Renal Failure;
3. Multiple Sclerosis;
4. Benign Brain Tumor
5. Parkinson's Disease
6. End Stage Liver Disease
7. Alzheimer's Disease

b) Undergoing for the first time of the following surgical procedures, more specifically described below:

8. Major Organ Transplant;
9. Heart Valve Replacement;
10. Coronary Artery Bypass Graft;
11. Surgery of Aorta

c) Occurrence for the first time of the following medical events more specifically described below:

12. Stroke
13. Paralysis;
14. Myocardial Infarction;
15. Coma
16. Major Burns
17. Deafness
18. Loss of Speech

Please refer to the Policy wordings for definitions of the Critical Illness available with your banker/our Agent/our office

Optional cover under section I: Second Opinion

While being treated for Critical Illness, the insured can take second opinion from Leading Medical Centers across the Globe through Medi guide, America to ascertain whether the diagnosis/line of treatment is correct or not by paying additional premium.

Section II - Personal Accident (Compulsory section)

A. Death Due to an Accident:

The Death of the Insured borrower within a period of twelve months from the date of bodily injury, and such bodily injury being the sole and direct cause of the death of the Insured Person.

B. Permanent Total Disability due to an Accident:

Covers Accidental bodily injury resulting in Permanent Total Disablement subject to the following;

- i) is confirmed as total, continuous and permanent by a **Medical Practitioner**, and
- ii) Entirely prevents the **Insured borrower** from engaging in any kind of occupation for the remainder of his/her life.

Section III – Loss of Job: (Applicable for salaried employees only)

The Company will pay *Sum Insured* (3 EMIs) in the event of

- i. Termination/ Dismissal of employment of the Insured borrower.
- ii. Temporary suspension or retrenchment from employment

Section IV – Fire and Allied Perils – Dwelling and Household Contents

Covers Loss or Damage directly caused to dwelling and household contents of Insured borrower at Insured premises by Insured Perils listed hereunder

- I. Fire
- II. Lightning
- III. Explosion/Implosion
- IV. Aircraft Damage
- V. Impact Damage
- VI. Subsidence and Landslide including Rock slide
- VII. Bursting and/or overflowing of Water Tanks, Apparatus and Pipes
- VIII. Missile Testing operations
- IX. Leakage from Automatic Sprinkler Installations
- X. Bush Fire
- XI. Riots, Strike, Malicious Damage
- XII. Storm, Tempest, Flood, Inundation

Add on Cover under this Section available at additional Premium

- Earthquake
- Terrorism

Special Condition: Jewellery cover in case of Content Insurance will be restricted to 20% of Sum Insured subject to maximum of Rs. 200,000/-

Section V: Business interruption for commercial establishments. (Only if the property has been insured with us under fire policy) If the business is interrupted because of loss or damage to the property insured with us by any of the insured perils, the Company will pay for the loss resulting from the interruption in respect of the following items in accordance with the Basis of Settlement and the Limit of Liability.

(a) Loss of Revenue

&/or

(b) Increase in cost of working

Upto the Sum Insured mentioned in the policy (6 EMIs)

Options:

Option A – (Section I +Section II)

Option B – (Section I +Section II +Section III)

Option C - (Section I +Section II +Section III+ Section IV)

Option D—(Section I +Section II + Section III + Section IV +Section V)

Sum Insured Options

You have the option of choosing Sum Insured on either of the basis as mentioned below (applicable to Section I and II only).

i. Fixed Sum Insured – where Sum Insured is equal to Loan sanctioned at inception and it remains fixed throughout the policy tenure. In the event of Claim under Section I and II, sum insured will be paid to the Insured or nominee of the insured.

ii. Reducing Balance – Where Sum Insured goes on decreasing as the Loan outstanding decreases year on year. In the event of Claim under Section I and II, only the loan outstanding at the time of claim will be payable to the Insured or nominee of the insured.

For any sum insured in excess of Rs.3 crores or age in between 56 to 65 years medical examination must be conducted and the Sum insured cannot be increased / reduced during the policy period except in case of sanction of additional Loan.

Note- The basis of Sum Insured should be same for section I & II

Coverage and Sum Insured

Coverage	Sum Insured
Section I - Critical illness and Procedure Add On Cover-Second Opinion	Fixed Sum Insured – Loan Sanctioned Amount
	Reducing Balance – Loan outstanding Amount
Section II – Personal Accident	Fixed Sum Insured – Loan Sanctioned Amount
	Reducing Balance – Loan outstanding Amount
Section III – Loss of Job	Equal to 3 EMIs corresponding to Loan Insured
Section IV – Fire and Allied Perils – Dwellings and Contents	Building-As mentioned in the proposal form
	Contents – As mentioned in the Proposal Form
Section V-Business Interruption	Equal to 6 EMIs corresponding to Loan Insured

Key Exclusions:

The Policy will not pay for;

Section I-Critical Illness and Procedure Coverage

- Any Pre-Existing Illness– Any Insured Event arising on account of or in connection with any Pre-Existing Illness.
- Any Illness arising within the first 90 days of the commencement of the Period of Insurance.
- any congenital Illness or condition;
- Any medical procedure or treatment, which is not medically necessary or not performed by a Medical Practitioner.
- Any physical, medical or mental condition or treatment or service that is specifically excluded in the Policy Schedule under Special Conditions.
- Treatment relating to birth defects and external congenital Illnesses.
- If the Insured does not submit a medical certificate from the Medical Practitioner evidencing diagnosis of Illness or Injury or occurrence of the medical event or the undergoing of the medical / surgical procedure in relation to the claim of the particular insured person.
- Birth control procedures and hormone replacement therapy.

- ix. Any treatment/surgery for change of sex or any cosmetic surgery or treatment/surgery /complications/illness arising as a consequence thereof.
- x. Treatment by a family member and self-medication or any treatment that is not scientifically recognized.

Section II-Personal Accident Coverage for Claim

1. Natural Death
2. Compensation under more than one of the benefits mentioned in Table of Benefits in respect of same period of disablement.
3. Any other payment after a claim under one of the benefits 1,2, 3 and 4 in Table of benefits has been admitted and becomes payable.
4. Any payment in case of more than one claim under this policy during any one period of Insurance by which our liability in that period would exceed CSI
5. Payment of compensation in respect of death or injury as a consequence of/resulting from
 - a) Committing or attempting suicide, intentional self-injury.
 - b) Whilst under influence of intoxicating liquor or drugs.
 - c) Drug addiction or alcoholism.
 - d) Whilst engaged in any adventurous sports and/or hazardous activities.
 - e) Committing any breach of law with criminal intent.
 - f) War, Civil War, invasion, act of foreign enemies, revolution, insurrection, mutiny, military or usurped power, seizure, capture, arrest, restraint, or detainment, confiscation, or nationalisation or requisition by or under the order of any government or public authority.
 - g) Ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, combustion shall include any self - sustaining process of nuclear fission.
 - h) The radioactive, toxic, explosive or the hazardous properties of any nuclear assembly or nuclear component.
6. Consequential loss of any kind and/or any legal liability
7. Pregnancy including child birth, miscarriage, abortion or complication arising there from.
8. Participation in any naval, military or air force operations.
9. Curative treatments or interventions
10. Venereal or sexually transmitted diseases.
11. HIV and or related illness

Section III-Loss of Job Coverage

1. Termination, dismissal, temporary suspension or retrenchment from employment of the Insured person being attributed to any dishonesty or fraud or poor performance on the part of the Insured person or his willful violation of any rules of the employer or laws for the time being in force or any disciplinary action against the Insured person by the employer.
2.
 - a) Self-employed persons;
 - b) Any claim relating to unemployment from a job which is casual, temporary, seasonal or contractual in nature or any claim relating to an employee not on the direct rolls of the employer;
 - c) Any voluntary unemployment;
 - d) Unemployment at the time of inception of the Policy Period or arising within the first 90 days of inception of the Policy Period.
3. Any unemployment from a job under which no salary or any remuneration is provided to the Insured person.
4. Any suspension from employment on account of any pending enquiry being conducted by the employer/ Public Authority
5. Any unemployment due to resignation, retirement whether voluntary or otherwise

6. Any unemployment due to non-confirmation of employment after or during such period under which the Insured was under probation.

Section IV-Fire and Allied Perils – (for Dwellings and Contents) Coverage for;

- 1 Damage caused by Pressure waves.
- 2 Destruction or damage caused to the property by its own fermentation, natural heating or spontaneous combustion or its undergoing heating or drying Process
- 3 Burning of property insured by order of any Public Authority.
- 4 Explosion/implosion losses to boilers (other than domestic boilers), economizers or other vessels, machinery or apparatus (in which steam is generated) including their contents.
- 5 Destruction or damage to property caused by centrifugal forces.
- 6 Damages caused by
 - a. Permanent or temporary dispossession of any building resulting from the unlawful occupation by any Person of such building or Prevention of access to the same.
 - b. Burglary, housebreaking, theft, larceny or any other such attempt or any omission of any kind of any Person (whether or not such act is committed in connection with the disturbance of Public Peace) in any malicious act.
 - c. total or Partial cessation of work or the retardation or interruption or cessation of any Process or operations or omissions of any kind
7. Damage by vehicle/animals belonging to or owned by You or Your Family.
8. Damages caused by :-
 - a.) Normal cracking, settlement or bedding of structures.
 - b.) Settlement or movement of made up ground.
 - c.) Coastal or river erosion.
 - d.) Defective design or workmanship or Use of defective material
 - e.) Demolition, construction, structural alteration or repair of any property or ground work or excavation.
9. Damage caused by
 - a.) Repairs or alteration to Your Home.
 - b.) Repairs, removal or extension of the sprinkler installation
 - c.) Defects in construction known to You.
10. Damages caused to the Insured property by Pollution or contamination.
11. Expenses necessarily incurred on Architect, Surveyor and Consulting Engineer's fees and Debris Removal following Damage to property Insured by an Insured Peril in excess of 3% and 1% of the claim amount respectively.
12. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
13. Loss, destruction damage to any electrical machine, apparatus fixture or fittings arising from or occasioned by overrunning excessive pressure short circuiting, arcing, self-heating or leakage of electricity from whatever cause (lightning included Provided that this exclusion will apply only to the Particular electrical machine, apparatus, fixture or fittings which may be destroyed or damaged by fire so set up.
14. Livestock or Pets
15. Cash & Valuables as defined under the Policy, unless specifically covered.
16. Loss or damage to property Insured if removed to any building or Place other than in which it is herein stated , except machinery and equipment's temporarily removed for repairs, cleaning, renovation or other similar purposes for a Period not exceeding 60 days.
17. Any Loss or damage occasioned by or through or in consequence directly or indirectly due to earthquake, volcanic eruption or other convulsions of nature unless specifically covered and mentioned on the Schedule.

Section V-Business Interruption:

Loss arising out of, caused by, occasioned by, attributable to or howsoever connected to:

- 1 any period of Interruption not solely attributable to an insured peril;
- 2 the loss or absence of any securities, obligations or documents of any kind, stamps, coins or paper-money, cheques, books of Account or other business books, computer systems or records;
- 3 the loss or absence of any manuscripts, plans, drawings, designs, patterns, models, or moulds;
- 4 the action or inaction of any public authority;
- 5 lack of funds on any account whatsoever;
- 6 a change to the Business or the Insured Premises after the effective date of this endorsement whereby the risk has been increased, unless the we have expressly acknowledges such change and confirmed in writing that the cover provided by us remains in force.

Policy Tenure

Maximum Policy Period is 3 years however Insured can renew the Policy (till the time the Loan continues) by payment of additional Premium.

Age

Minimum age at entry is 18 years and Maximum age at entry (at first disbursement/Premium payment): 65 years.

Short period Rate:

The policy cannot be issued on short period basis.

Mode of Premium payment: Single Premium.

Renewable Age: Till the loan amount is liquidated.

Minimum Sum Insured: Rs 1.00 lakh

Maximum Sum Insured: No limit, as per Loan sanctioned or outstanding Loan amount, as the case may be.

Enhancement of Sum Insured:

Midterm enhancement is not allowed except sanction of fresh loan to the insured borrower .

Other features

- a. Multiple Applicants under one loan can be covered for their proportionate share under separate Policies.
- b. No medical examination is necessary upto age 55 years. (For any sum insured in excess of Rs.3 Cr. Or age between 56-65 years – Medicals exams to be conducted at the cost of the insured.)

Expiry of the policy

The policy expires on occurrence of any of the following

- a. Expiry date of the policy
or
 - b. Payment of Claim under section Critical Illness and Procedure or Personal Accident/
or
 - c. Prepayment/foreclosure of the loan
- whichever is earlier.

Illustration:

Illustration of Premium under Fixed Sum Insured Basis		O P T I O N C
Name	Mr. Agarwal	
Age	38 Years	
Loan Sanction Amt	2000000	
Loan Tenure	15 Years	
EMI	25,257 (@14% interest rate)	
Plan	1 star	
Policy Tenure	1 Year	
Sections	Sum Insured	Premium
Section I-Critical Illness	2000000	7980
Section II-Personal Accident		
Section III-Loss Of Job	75771	
Section V: Business Interruption	151542	272
Add On (Section I) : Second Opinion	Value added Service	
Section IV-Fire (Building & Contents)	2000000	430
Net Premium		8682
Total Premium(including s/tax)		9755

Illustration of Premium under Reducing Sum Insured Basis		O P T I O N B
Name	Mr. Agarwal	
Age	38 Years	
Loan Sanction Amt	2000000	
Loan Tenure	15 Years	
EMI	25,257(@14% interest rate)	
Plan	1 Star	
Policy Tenure	3 Years	
Sections	Sum Insured	Premium
Section I-Critical Illness	2000000	26,760

Section II-Personal Accident		
Section III-Loss Of Job	75771	
Add On : Second Opinion	Value Added Service	770
Section IV-Fire (Building & Contents)	2000000	1100
Net Premium		28,630
Total Premium including s/tax		32,168

Pre Insurance Health Check up

Customer shall have to undergo Medical test in following two cases.

- Sum Insured more than Rs 3 crore
- Medical underwriting is required in the age group of 56-65 years with the following tests :
 - Complete Blood Count (CBC)
 - Lipid Profile (Lipids)
 - Fasting Blood Sugar (FBS)
 - Treadmill Test (TMT)
 - Routine Urine Analysis (RUA)
 - Medical Examination Report (ME)
 - Liver Function Test (LFT)
 - Renal Function Test (RFT)
 - Glycoslated Hb (HbA1c)
 - Prostate Specific antigen (PSa)
 - UltraSonogram (USG)

The medical reports are valid for a period of 90 days from the date of Pre-Policy Checkup and Medical UW cost is to be borne by the insured.

Premium (Rates):

Premium computation is done depending on Options/Plans opted by the insured borrower and age of the insured borrower.

Renewal

- Policy will be renewed on payment of renewal Premium However We may exercise Our option not to renew the Policy on grounds of fraud, misrepresentation, or suppression of any material fact either at the time of taking the Policy or any time during the currency of the earlier policies.
- If required, we may charge revised rates with prior approval from the regulator.

Grace Period: Grace period of 30 days from the due date of renewal may be considered ,with proper and reasonable explanation from the insured, without deeming such grace period as a break in policy. However, coverage will not be available for such period.

Cancellation

In case of full prepayment of loan, Policy can be cancelled by You by giving fifteen (15) days' notice in writing to the Company which will be effective from the date of receipt of the cancellation notice. We will retain the premium for the period for which Policy was in as per short period scale given below.

- Insured can cancel the policy any time during the policy period
- Refund premium to be calculated as per refund table
- Once any claim has been admitted / paid, no cancellation / refund is admissible
- Once policy is cancelled, it cannot be re-instated

In case of prepayment of the Loan by the Insured (Table to be changed)

% Return Premium

Policy Period	2	3	3	3	3	3	3	3	3	3	3	3	3	3
Loan Period	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year 1	25%	45%	57%	65%	70%	73%	74%	75%	76%	77%	77%	78%	78%	78%
Year 2		11%	26%	37%	45%	49%	51%	53%	54%	55%	56%	56%	57%	57%
Year 3			6%	17%	24%	28%	31%	33%	34%	35%	36%	36%	37%	37%
year 4				4%	9%	12%	14%	15%	16%	16%	17%	17%	18%	18%
3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
78%	79%	79%	79%	79%	79%	79%	79%	79%	79%	79%	79%	80%	80%	80%
57%	58%	58%	58%	58%	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%
37%	38%	38%	38%	38%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%
18%	18%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	20%	20%

There will be no refund in the event of

- **part prepayment of the Loan**
- In the event of a Claim under the Policy

Free Look Period:

On the first inception of the policy, You have a period of 15 days from the date of receipt of the documents to review the terms and conditions of the Policy. If You disagree to any of the terms or conditions of the Policy You have the option to return the policy stating the reasons for Your objection and You will be entitled to a refund of the premium paid deducting Policy issuance and stamp duty charges. In cases where the risk has already commenced and the option of returning the policy is exercised by You, the refund of the premium paid will also be subject to a deduction for proportionate risk premium for the period We have been on cover. No Claim shall be payable in free look in Period if you opt not to continue with the Cover.

Notice period to the policyholder in case of any revision/modification in a policy approved by IRDA:

Any revision or modifications in a policy approved by IRDA shall be notified to You by us at least 3 months prior to the date , when such revision or modifications comes into effect. The notice shall also contain the reasons for such revision or modifications, in particular the reason for increase in premium and the quantum of such increase.

Withdrawal of Individual Loan Protect Policy:

In order to withdraw the Individual Loan Protect Policy, we shall take prior approval from IRDA by giving reasons for withdrawal

Discount/ Loadings :

Discount : 15% on booking business through Direct Channel.

Loadings: No other loadings applied.

